



U.S. Department of Justice
United States Attorney
District of Kansas

NEWS RELEASE

Eric Melgren, U.S. Attorney

Contact: Jim Cross
(316) 269-6481

Headquarters
1200 Epic Center
301 N. Main
Wichita, Kansas 67202
(316)269-6481
FAX (316)269-6484

Topeka Office
444 Quincy
Topeka, Kansas 66683

Kansas City Office
500 State Avenue
Suite 360
Kansas City, Kansas 66101

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NEW INDICTMENT ADDS HEALTH CARE FRAUD, BROADENS CHARGES THAT NEWTON COUPLE ABUSED MENTALLY ILL PATIENTS

TOPEKA KAN. – United States Attorney Eric Melgren and R. Alexander Accosta, Assistant Attorney General, Department of Justice, Civil Rights Division, announced a new indictment today that adds more charges against **Arlan and Linda Kaufman** and broadens the government's case that the couple mistreated mentally ill residents of their group home in Newton, Kan.

A Topeka grand jury on Wednesday returned the new indictment, which supercedes one returned by a grand jury Nov. 3. Arlan D. Kaufman, 68, Newton, and Linda J. Kaufman, 61, Newton, are charged in the new indictment with 34 counts including:

- One count of conspiracy. The broadest of the charges, this count covers a range of allegations, from compelling mentally ill residents of Kaufman House to perform sexually explicit acts to billing Medicare for therapy sessions never provided.
- Two counts of forcing residents to perform labor.
- Three counts of holding residents in a condition of involuntary servitude.
- Sixteen counts of health care fraud by submitting false claims to Medicare for services not rendered and not documented.
- Ten counts of mail fraud by using the U.S. Postal Service to send fraudulent invoices and receive payment from patients' families.
- One count of making false documents by manufacturing records to respond to a request for records from Medicare.
- One count of obstructing a federal audit by manufacturing documents to support bills for therapy services.

In a separate forfeiture count, the government seeks the return of more than \$200,000

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the Kaufmans are accused of receiving by submitting fraudulent bills to Medicare. According to the indictment, the Kaufmans submitted just under \$1 million in claims to Medicare.

It took years for problems at the group home to come to light because, as the indictment states, “Defendants Arlan Dean Kaufman and Linda Joyce Kaufman prevented, obstructed, and otherwise impaired the ability of law enforcement officers, social workers, doctors, nurses, physician’s assistants and others from discovering the defendants’ mistreatment and abuse of Kaufman House residents.”

In the conspiracy count, the Kaufmans are charged with forcing and coercing residents of Kaufman House to perform sexually explicit acts and to perform manual labor for the defendants’ entertainment and benefit.

The indictment names 20 residents of Kaufman House – identified only by their initials – who lived there during all or part of the time from 1986 to Oct. 26, 2004. According to the indictment, the Kaufmans video taped some of the sexual conduct of the residents during purported therapy sessions. The indictment alleges residents were subjected to serious harm in the form of psychological abuse and manipulation, physical abuse, coercion, isolation, dehydration, denial of proper psychological treatment and deprivation of property.

When their bills for therapy services were questioned, the indictment says, the Kaufmans submitted documents manufactured in response to Medicare’s request for documentation.

According to the indictment, the Kaufmans attempted to place assets beyond the government’s reach by purporting to transfer the assets to their children. Eleven days after a federal search warrant was served at Kaufman House, the Kaufmans conveyed property they owned at 119 W. 8th, 321 W. 7th and 413 W. Broadway in Newton, as well as 7130 N.W. Shumway in Potwin, Kan., to members of their family.

If convicted, the Kaufmans face up to 5 years in federal prison and a \$250,000 fine on the conspiracy charge, up to 20 years in prison and a \$250,000 fine on each of the civil rights charges, up to 10 years and a \$250,000 fine on each of the health care fraud charges, up to five years and a \$250,000 fine on each of the mail fraud charges, up to five years and a \$250,000 fine on the charge of making false documents and up to five years and a \$250,000 fine on the charge of obstructing a federal audit.

The Kaufmans were first arrested Oct. 26, 2004 on a criminal complaint and affidavit signed by a special agent of the U.S. Department of Health and Human Services, Office of Investigations. The case is being jointly prosecuted by attorneys for the U.S. Attorney’s Office, District of Kansas, and the Civil Rights Division of the Department of Justice.

As in any criminal case, a person is presumed innocent until and unless proven guilty. The charges filed merely contain allegations of criminal conduct.

U.S. Attorney Eric Melgren requests that the media respect the privacy of the

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mentally ill victims in this case. Attempts to contact them could be upsetting to the victims and their families.

A complete copy of the indictment will be posted on the U.S. Attorney's Web site at www.usdoj.gov/usao/ks/. Click on the press releases for December.